Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Message Text

LIMITED OFFICIAL USE

PAGE 01 ATHENS 09074 231709Z

45
ACTION EUR-12

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-07 FRB-01

INR-05 NSAE-00 RSC-01 TRSE-00 XMB-02 OPIC-03 SP-02

CIEP-01 LAB-04 SIL-01 OMB-01 NSC-05 SS-15 STR-01

CEA-01 L-02 H-01 PA-01 PRS-01 USIA-06 IO-10 /089 W
---------- 016621
R 231635Z DEC 74
FM AMEMBASSY ATHENS
TO SECSTATE WASHDC 6712
INFO AMEMBASSY BONN
USMISSION EC BRUSSELS
AMCONSUL THESSALONIKI

LIMITED OFFICIAL USE ATHENS 9074

EO 11652: NA
TAGS: EFIN ETRD GR
SUBJECT: BANK OF GREECE: CALL ON DEP. GOV. NICHOLAS KYRIAZIDES

REF: ATHENS 8983

1. DURING DEC 23 COURTESY CALL BY EMBOFFS, DEP GOV BANK OF GREECE (BOG) NICHOLAS KYRIAZIDES MADE FOLLOWING POINTS ON 1) BALANCE OF PAYMENTS SITUATION, 2) COMMERCIAL POLICY, AND 3) THE PARITY OF THE DRACHMA.

2. BALANCE OF PAYMENTS (BOP) - KYRIAZIDES STATED THAT BOP SITUATION DID NOT APPEAR AS SERIOUS AT YEAR'S END AS HAD BEEN ANTICIPATED LAST AUGUST. HE CONFIRMED EMBASSY'S IMPRESSION THAT CONSCIOUS DECISION HAS BEEN MADE TO DRAW DOWN RESERVES TO CONSERVE AVAILABLE EURODOLLAR CREDIT BALANCES (WHICH HE PUT AT $220 MILLION). RESERVES MAY FALL AS LOW AS $850 MILLION BY YEAR'S END (COMPARED TO DEC 31, 1973, LEVEL OF $1,016 MILLION). HE LISTED AS
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 ATHENS 09074 231709Z

POSSIBLE SOURCES FOR BOP FINANCING IN 1975 THE IMF, THE

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

ARAB WORLD, THE EEC AND, DEPENDING ON MARKET CONDITIONS, THE EURODOLLAR MARKET. IN VERY LOW KEY MANNER HE MENTIONED PROBLEM BOG EXPERIENCING IN LINING UP COMMODITY CREDITS, A QUESTION RAISED LAST WEEK BY SISMANIDIS AND BOG'S ELIADES (SEE REFTEL).

3. COMMERCIAL POLICY - KYRIAZIDES EXPRESSED CONFIDENCE THAT IMPROVEMENT IN BOP SITUATION WILL PERMIT GOG TO FOREGO RESTRICTIVE TRADE MEASURES AND PURSUE "FREE TRADE" POLICY IN 1975.

4. PARITY OF THE DRACHMA - KYRIAZIDES EMPHATICALLY DENIED RUMOR THAT DRACHMA DEVALUATION IS PLANNED OR UNDER CONSIDERATION. HE INDICATED, HOWEVER,THAT FLUCTUATION OF DOLLAR VIS-A-VIS CURRENCIES OF GREECE'S WESTERN EUROPEAN TRADE PARTNERS IS CAUSE OF SOME CONCERN, AND THAT SOME THOUGHT BEING GIVEN TO ABANDONING DOLLAR LINK. POSSIBILITY IS LINKING DRACHMA TO BASKET OF MAJOR EUROPEAN TRADING PARTNERS.

5. COMMENT - SHORT-LIVED MARKEZINIS GOVERNMENT CONSIDERED SWITCHING DRACHMA PARITY FROM DOLLAR BASIS TO EUROPEAN CURRENCIES IN LATE 1973. MEASURE WOULD FIT LOGICALLY WITH CARAMANLIS' EMPHASIS ON EEC ASSOCIATION, BUT PREDICTION OF CHANGE IN NEAR FUTURE WOULD BE CONJECTURAL AT THIS TIME. ON COMMERCE, KYRIAZIDES REMARKS DID NOT COINCIDE WITH THOSE OF COMMERCE SECRETARY GENERAL SISMANIDIS (SEE REFTEL) ON DECEMBER 18, NOR WITH ANNOUNCEMENT LAST WEEK THAT CERTAIN RESTRICTIONS RELATING TO THE IMPORTATION OF AUTOMOBILES ARE BEING EXTENDED THROUGH JUNE 1975. HIS PROTESTATIONS NOTWITHSTANDING, IT SEEMS LIKELY THAT GOG WILL SEEK TO LIMIT NON-ESSENTIAL IMPORTS IN THE NEW YEAR. WITH RESPECT BOP, ONE REASON FOR RESERVE DRAW-DOWN UNDOUBTEDLY TO ENHANCE BARGAINING POSITION FOR BILATERAL OR MULTILATERAL FINANCIAL ASSISTANCE. WITH RESPECT $800 MILLION REQUEST PUT TO EEC, KYRIAZIDES REMARKED THAT EEC REPRESENTATIVES HAVE INFORMED GOG THAT ANY SUCH ASSISTANCE FOR BOP PURPOSES WOULD HAVE TO BE ON BILATERAL BASIS, WHICH PRESUMABLY PUTS ONUS ON BONN.
KUBISH
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

NNN

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: IMPORTS, COMMUNIST COUNTRIES TRADE, FOREIGN TRADE, SPEECHES
Control Number: n/a
Copy: SINGLE
Draft Date: 23 DEC 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: ShawDG
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974ATHENS09074
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740373-0184
From: ATHENS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19741216/aaaaanea.tel
Line Count: 107
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 74 ATHENS 8983
Review Action: RELEASED, APPROVED
Review Authority: ShawDG
Review Comment: n/a
Review Content Flags:
Review Date: 09 APR 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <09 APR 2002 by boyleja>; APPROVED <20 MAR 2003 by ShawDG>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: BANK OF GREECE: CALL ON DEP. GOV. NICHOLAS KYRIAZIDES
TAGS: EFIN, ETRD, GR, US, (SISMANODOS, ARISTOTELIS)
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005